HUD newsletter

U.S. Department of Housing and Urban Development
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Current Trends

The most severe winter in many years has created a number of crises which are bound to have adverse effects on many aspects of the economy. While final reports are not yet available... early reports show that housing starts and housing activity are inevitably among the victims. A preliminary estimate by the *National Association of Home Builders* ... based on a survey of its members... indicates a 45 percent drop in expected housing starts in the Northeast and North Central States. Even the South... which normally has little or no slackening in activity because of winter weather... showed a 13 percent drop. Usually the South accounts for 40 to 45 percent of winter housing activity. Only the far-West escaped the ravages of the weather... and housing starts were estimated to have been 5 percent above normal in January in that section of the country.

The survey suggests a probable drop of 16 percent nationally in housing starts for the first quarter... which represents 60,000 units. Using the commonly accepted formula of 2 man-years of labor needed for each housing unit... this means a loss (or deferment) of 120,000 man-years to the building crafts. How these developments will affect the earlier optimistic estimates of a booming housing economy in 1977 are not yet clear... but a drop below the estimated starts for 1977 reported in the story on page 2 is not likely as a probable surge in starts later in the year could wipe out the first quarter deficit.

The *Bureau of Labor Statistics'* report on December employment shows the unemployment rate in the construction trades at 13.9 percent... the lowest in 2 years. The report also shows a decline in the number of workers looking for jobs in the industry ... indicating some of the unemployed have become discouraged and are no longer looking for work in the building trades.

December sales of new one-family houses reached the seasonally-adjusted rate of 748,000... 16.7 percent above the December 1975 level... according to the ***Commerce Department***. Actual sales figures for new housing for the year 1976... 635,000 units...were the third highest in history... exceeded only by the 718,000 in 1972 and 656,000 in 1971.

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FHLMC Secondary Market Group Formed

The first group of securities dealers has been formed to offer and make a secondary market in *Federal Home Loan Mortgage Corporation Participation Certificates.* The *Certificates* will be available through the members of the new group and ***FHLMC***, subject to available inventory and market conditions.

The participating dealers are ***Bache Halsey Stuart, Inc.; Bank of America; The First Boston Company; Lehman Brothers; Loeb Rhoads & Co.; Merrill Lynch Government Securities; Paine Webber, Jackson & Curtis;*** and ***Salomon Brothers.***

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FYI

National Housing Rehabilitation Association and the ***Institute for Professional & Executive Development***... Workshop on *Neighborhood Revitalization: How To Make it Work*... Washington, D.C. March 4. **Registration: *IPED*, 1800 M Street, N.W., Washington, D.C. 20036 (202/466-8592).**

1976 Was Good. . . 1977 Expected to Be Better

The *Dodge Division of McGraw-Hill*. . . reporting on construction activity in 1976. . . said that construction contracts during the year rose by 16 percent over 1975. . . to a total of $107.2 billion. For the month of December. . . the increase was 34 percent higher than 1975. After discounting inflation. . . the 'real' increase came to 10 percent.

By categories. . . residential construction went up 40 percent over the previous year. . . nonresidential construction declined 5 percent. . . and nonbuilding construction (such as highways, sewers, etc.) rose 12 percent. The total of all construction in 1975 was $92.7 billion.

At the recent *Annual Convention* of the ***National Association of Home Builders*** in Dallas. . . with 55,000 in attendance. . . both members and invited speakers appeared to be optimistic about 1977's probable performance. Likewise. . . the housing experts called together by the ***Home Loan Bank Board*** for the *Board's Sixth Annual Housing Forecast Conference*. . . were unanimous in their views that 1977 would be a good year. The forecasts of 1977 housing starts all ranged from 1.7 to 1.88 million units for the year. . . up to 20 percent higher than the performance in 1976 of 1.54 million units. In 1975. . . total starts came to 892,000.

The demand for housing is there. . . and with the ready availability of mortgage money likely in 1977. . . as the record-breaking inflow of savings into ***S&Ls*** indicates. . . it should be a good year for housing.

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Home Builders Meet

At the recent *Annual Meeting* of *the National Association of Home Builders* in Dallas. . . Robert Arquilla, a Chicago builder, was elected president of the *Association* . . . succeeding John C. Hart of Indianapolis. First vice-president for 1977 is Ernest A. Becker, Sr., of Las Vegas, Nevada. . . and Vondal S. Gravlee of Birmingham, Alabama, was named vice president and treasurer. Merrill Butler of Irvine, California, was elected vice president and secretary. Also announced was the selection of David E. Stahl. . . formerly executive vice president of the ***Urban Land Institute***. . . to replace Nathaniel H. Rogg as ***NAHB*** executive vice president. Mr. Rogg retired after 23 years in the post.

The meeting was attended by 55,000 builders, material suppliers, public officials, and others associated with the home building industry. A *Policy Statement* was adopted that called for the establishment of "a positive economic and political climate" in which private enterprise can function most effectively so that 'people of all income levels are adequately housed.' Another major theme was the ***NAHB*** commitment to 'solving the Nation's critical urban problems and in rebuilding of cities.'

While generally. . . the builders expect 1977 to be a boom year. . . some concern was expressed over the rapid rise of housing costs and what impact this could have on housing activity. Lumber and land costs were cited as the most volatile items.

These estimates were made before the impact of the most frigid and snowy January weather in a generation had been felt.

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House Housing Subcommittee Named

The assignment of Members of the full *Housing, Banking, Finance, and Urban Affairs Committee of the House* to the ***Subcommittee on Housing and Community Development*** **has been completed.** The Democratic Members: **Thomas Ashley**, Ohio (Chairman); **William Moorhead** (Pa.); **Fernand St. Germain** (R.I.); **Henry Gonzalez** (Tex.); **Parren Mitchell** (Md.); **James Blanchard** (Mich.); **Carroll Hubbard** (Ky.); **James Hanley** (N.Y.); **Walter Fauntroy** (D.C.); **Jerry Patterson** (Calif.); **John LaFalce** (N.Y.); **Les AuCoin** (Ore.); **Gladys Spellman** (Md.); **Paul Tsongas** (Mass.); **Mark Hannaford** (Calif.); **David Evans** (Ind.); **Stanley Lundine** (N.Y.). The Republican Members: **Garry Brown** (Mich.); **J. William Stanton** (Ohio); **John Rousselot** (Calif.); **Chalmers Wylie** (Ohio); **Stewart McKinney** (Conn.); **Richard Kelly** (Fla.); **Charles Grassley** (Iowa); **Thomas Evans, Jr.** (Del.).

701 Regulations Published

In the February 1 *Federal Register*... ***HUD*** **published new guidelines which offer additional guidance for applicants trying to meet the** ***Congressional*** **requirements for the land use and housing elements under** ***HUD's*** *Comprehensive Planning Assistance Program (701).*

The new regulations outline the process ***HUD*** will use to review land use and housing plans... plus some examples of acceptable activities for States, areawide planning organizations, cities, and counties to satisfy the requirements.

The review and approval regulations require that State and local land use and housing plans be validated by the unit's chief executive, or officially designated substitute; that a summary statement and detailed supporting material be included; and that the State and areawide clearinghouses have the opportunity to review and comment on the two plans.

The new regulations and guidelines supplement previous requirements contained in earlier *Federal Register* publications.

Intent of the new guidelines is to encourage maximum use of present plans and studies consistent with sound comprehensive planning, to help recipients meet current ***Congressional*** requirements, and to guide ***HUD's Field Staff*** in making judgments required by the regulations.

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Housing School Scheduled

A 1-week intensive course in all aspects of single-family home building will be held in Washington February 28-March 4... sponsored by the ***Housing Capital Corporation***... a subsidiary of the ***National Corporation for Housing Partnerships.*** Named the *New Venture School*... it will provide the opportunity for 30 experienced persons selected from applicants all over the U.S. to learn how to start a business of their own. There will be 34 instructors from 9 States and the District of Columbia... and the sessions will be held in ***NAHB's*** National Housing Center.

The successful applications will be provided with free tuition, text materials, and meals... while 5 minority representatives selected for scholarships will receive in addition transportation expenses to and from Washington and lodging.

The concentrated course is designed to fill the gaps in knowledge that may exist among contractors, subcontractors, or employees of building firms who desire to become operative builders. Graduates of the course will be given the opportunity to participate in joint ventures with ***Housing Capital Corporation*** in single-family sales home building.

The Corporation for Housing Partnerships is located at 1133 Fifteenth Street, N.W., Washington, D.C. 20005 (202/857-5700).

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New Publications

Historic Preservation in the Planning Process... prepared by the ***State Planning Division of the Alabama Development Office*** with grant assistance from ***HUD.*** The publication attempts to point out the problems involved in preservation efforts and how preservation of buildings and sites of unusual historic, architectural, or archaeological significance can be integrated into the planning process. 32 pages... paper... includes a 30"x 45" full-color wall map depicting historic places in Alabama. **Price $3.50 from the** ***State Planning Division,*** **State Capitol, Montgomery, Alabama 36130.**

Solar Heated Buildings... A Brief Survey... by W.A. Shurcliff. This is the 13th ... and marked 'final'... edition of this publication... which covers houses, schools, and commercial buildings that are partially or fully solar-heated. Includes some structures that are expected to exist in the future. Special supplement contains 79 photographs. **Price $12 if check is enclosed... otherwise $13 in U.S. Outside U.S... $14... from W.A. Shurcliff, 19 Appleton Street, Cambridge, Mass. 02138.**

Youth Service Conference Held

Representatives of 18 national and international service clubs met in Washington in late January to discuss with Federal officials new ways for their 100,000 local clubs to help the country's young people in Public Housing projects.

Meeting at *HUD*. . . delegates to the *Fourth Annual HUD-Service Clubs Conference* brought *HUD* officials up-to-date on youth service activities already underway and mapped new approaches their local clubs might consider to offer more and better opportunities for the young in public housing.

Purpose of the annual sessions is to focus attention of local service clubs and national youth-serving organizations on the plight of children and youth in these projects and to their need for tutoring, recreation, work experience, and opportunities.

The representatives were welcomed by *HUD* Secretary Patricia Roberts Harris in her first official meeting with the public since she was sworn into office.

During the 2-day sessions, a panel of experts on Federal programs for youth described their activities for the service club leaders, covering welfare and day care, jobs and job training, student advocacy, recreation and volunteer resources, as well as efforts to combat delinquency.

Service clubs represented at the *Conference* included the national organizations of ***Jaycees, Exchange Club,*** and ***Ruritan,*** and the following international groups: ***Active 20/30, Altrusa, Civitan, Cosmopolitan, Frontiers, Kiwanis, Lions, Optimist, Pilot Club, Quota, Rotary, Sertoma, Soroptimist, Y's Men, and Zonta.***

Dr. Louise R. White, ***Director of HUD's Housing Consumer Program Division,*** presided over the *Conference.*

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